

**Women entrepreneurship in small and medium-sized enterprises**

**European Parliament resolution of 13 September 2011 on women entrepreneurship in small and medium-sized enterprises (2010/2275(INI))**

*The European Parliament,*

- having regard to Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General Block Exemption Regulation)<sup>1</sup>,
- having regard to the Commission report of 3 October 2008 entitled ‘Implementation of the Barcelona objectives concerning childcare facilities for pre-school-age children’ (COM(2008)0638),
- having regard to the Commission report ‘Promotion of Women Innovators and Entrepreneurship’ of 25 July 2008,
- having regard to the Commission Communication of 25 June 2008 entitled ‘“Think Small First”: A ‘Small Business Act’ for Europe’ (COM(2008)0394),
- having regard to Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC<sup>2</sup>,
- having regard to Council Decision 2010/707/EU of 21 October 2010 on guidelines for the employment policies of the Member States<sup>3</sup>,
- having regard to Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings<sup>4</sup>,
- having regard to its resolution of 10 March 2009 on the Small Business Act<sup>5</sup>,
- having regard to its resolution of 30 November 2006 on Time to move up a gear – Creating a Europe of entrepreneurship and growth<sup>6</sup>,
- having regard to its resolution of 10 October 2002 on the Commission report to the European Parliament and the Council: Growth and Employment Initiative - measures on financial assistance for innovative and job-creating small- and medium-sized enterprises

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<sup>1</sup> OJ L 214, 9.8.2008, p. 3.

<sup>2</sup> OJ L 180, 15.7.2010, p. 1.

<sup>3</sup> OJ L 308, 24.11.2010, p. 46.

<sup>4</sup> OJ L 160, 30.6.2000, p. 1.

<sup>5</sup> OJ C 87 E, 1.4.2010, p. 48.

<sup>6</sup> OJ C 316 E, 22.12.2006, p. 378.

(SMEs)<sup>1</sup>,

- having regard to Rule 48 of its Rules of Procedure,
  - having regard to the report of the Committee on Women's Rights and Gender Equality (A7-0207/2011),
- A. whereas it is important to recognise that sharing between women and men of family and domestic responsibilities, notably through greater recourse to parental and paternity leave, is essential for the advancement and achievement of gender equality and therefore it is necessary to maintain a work-life balance, which can support women in starting up their own business to secure their financial independence and independence at work,
- B. whereas self-employment generally offers greater flexibility regarding working hours, number of hours worked and working place than employment, providing possibilities for those aiming to combine labour and care tasks or other activities, or for those in need of an adapted work place,
- C. whereas the category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million and an annual balance sheet in total not exceeding EUR 43 million,
- D. whereas 99% of start-ups in Europe are micro or small enterprises and one third of these are launched by people who are unemployed, and whereas micro-enterprises employing fewer than 10 people make up 91% of European businesses,
- E. whereas the Commission 'Action Plan: The European Agenda for Entrepreneurship' (COM(2004)0070) draws attention to the need for better social security schemes, whereas the Commission is planning to present a Communication on the Small Business Act in early 2011, and whereas the need for improved social security provision for women entrepreneurs in particular should be stressed,
- F. whereas women may face barriers in accessing informational support and financial and technological tools and services that could limit their ability to expand their businesses and compete for government and municipal contracts,
- G. whereas, in European Commission terminology, false self-employment is a bogus type of self-employment that arises where the improper classification of employment status is used to circumvent social protection and exclude such workers from basic workers' rights in order to reduce labour costs; whereas the workers concerned stay economically dependent,
- H. whereas entrepreneurs are those persons (business owners) who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets<sup>2</sup>,
- I. whereas a female entrepreneur can be defined as a woman who has created a business in

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<sup>1</sup> OJ C 279 E, 20.11.2003, p. 78.

<sup>2</sup> 'A Framework for Addressing and Measuring Entrepreneurship' by N. Ahmad and A.N. Hoffman, 24 January 2008, STD/DOC (2008) 2.

which she has a majority shareholding and who takes an active interest in the decision-making, risk-taking and day-to-day management,

- J. whereas many businesses, predominantly those run by women, have sprung up within 'Objective 1' regions which will soon be displaced from their status as disadvantaged regions by the accession of new countries,
- K. whereas many of the regions which will cease to receive support include rural areas which are not yet adequately developed, while regions in recent accession countries often do not possess the cultural, social and organisational resources to make the best use of European funding,
- L. whereas there are discrepancies between Member States in the numbers of women entrepreneurs; whereas fewer women than men consider entrepreneurship as a viable career option and despite the upturn in the last decade in the numbers of women running SMEs, in the European Union only 1 in 10 women are entrepreneurs as opposed to 1 in 4 men; whereas women make up around 60% of all university graduates, but are underrepresented in full-time work in the labour market, particularly in the field of business; whereas it is crucial to encourage and empower women to embark on entrepreneurial ventures in order to reduce existing gender inequalities,
- M. whereas the United States' 'Women's Business Ownership Act (1988)' increased the number of women business owners as a percentage of all businesses from 26% in 1992 to 57% in 2002; whereas the success of this Act can help the EU in the identification of good practices,
- N. whereas those women entrepreneurs who have less knowledge about available options of financing and financial management experience, caused by societal factors, have a need for support not only during the start-up phase but also throughout a firm's business cycle, since there is a difference in the type of support required for business planning in the start-up and growth phases,
- O. whereas female entrepreneurship and female SMEs provide a key source for increasing the degree of female employment and thereby capitalising to a greater extent on women's level of education, as well as for ensuring that women do not go into precarious work, and whereas female entrepreneurship ensures business dynamism and innovation, the potential of which is far from being harnessed in the European Union, with an increase in the number of women entrepreneurs resulting in a positive impact and an immediate contribution to the economy overall; whereas in an unstable economic climate measures to support female entrepreneurs are easily neglected,
- P. whereas men and women in many cases do not have the same opportunities to run and develop companies and whereas promoting women's entrepreneurship is a long-term process that requires time to change structures and attitudes in society; whereas women have always been entrepreneurial, but rules and the traditional division of roles have meant that entrepreneurship has not always been an option for women,
- Q. whereas the European Investment Bank (EIB) substantially increased its lending activity dedicated to SMEs from EUR 8,1 billion in 2008 to around EUR 11,5 billion in 2009; whereas the SME instruments provided for under the Competitiveness and Innovation Framework Programme have been continuously implemented (EUR 1,13 billion earmarked

for 2007-2013); whereas the Commission adopted a temporary framework on state aid 2009/2010 providing Member States with increased possibilities to tackle the effects of the credit squeeze,

- R. whereas investment readiness programmes boost the capacity of an SME or entrepreneur to understand the concerns of banks or other investors that may provide external financing,
- S. whereas women entrepreneurs are a heterogeneous group, varying in terms of age, background and education, ranging from recent graduates to those well-advanced in their career who want to find new ways to make use of their talent for management, entrepreneurial spirit, communication skills, consensual approach and ability to assess risks accurately, and whereas women entrepreneurs are active in a wide range of sectors and businesses; whereas men and women do not have the same opportunities to run and develop companies due to gender stereotyping and structural barriers, women often being unjustifiably perceived to lack entrepreneurial skills such as self-confidence, management skills, assertiveness and risk-taking,
- T. whereas mentoring and support from active female as well as male entrepreneurs may help enterprises newly created by female entrepreneurs to overcome many of the fears associated with business start-ups,
- U. whereas it is important to promote practical recommendations that take account of the reality of business and economic life in the competitive market environment,
- V. whereas there has not been enough research undertaken on female entrepreneurship at EU level which can inform the development and implementation of EU-wide policies in this area,
- W. whereas, in many Member States, self-employed people lack proper social security rights, such as maternity and paternity leave, insurance against unemployment and illness, disability pay and pension provisions and childcare facilities, even though such facilities are essential to enable female entrepreneurs to reconcile professional commitment and family life and enable the European Union to rise to the demographic challenge; whereas, in the guidelines for employment policies, Member States are requested to promote self-employment while ensuring adequate social security for the self-employed,
- X. whereas there is a group of mainly women active in work such as domestic work or private care work who are not officially employed but also not officially self-employed and therefore lack any form of social protection,

#### ***Access to financial and educational support***

1. Encourages the Commission, Member States and regional and local authorities to make better use of the funding opportunities that are available to female entrepreneurs through special grants, venture capital, social security provisions and interest rate rebates that will allow fair and equal access to finance, such as the European Progress Microfinance Facility, which provides micro-credits of up to EUR25 000 to micro-enterprises and to those who want to start their own small business without access to traditional banking services, such as those who are unemployed;
2. Calls on Member States to set up nationwide campaigns, including workshops and

seminars, to promote and inform women more effectively about the European Progress Microfinance Facility and about all the funding possibilities offered by this facility;

3. Points out that equality between women and men is a fundamental principle of the EU, recognised by the Treaty on the European Union and by the Charter of Fundamental Rights of the European Union, while, in spite of the significant progress made, many inequalities between women and men remain in terms of entrepreneurship and decision-making;
4. Regrets that the financial and economic crisis has deepened the problems for many potential female entrepreneurs, especially in the first three years of business; stresses that the development of profitable SMEs by both men and women can help Member States to achieve more sustainable economic growth;
5. Welcomes the separate section on aid for female entrepreneurship in the abovementioned Commission Regulation (EC) No 800/2008; calls on the Commission to ensure that this aid continues to be provided for in a future Community support framework in order to help empower female entrepreneurs after the expiry of the Regulation;
6. Calls on the Member States to ensure that SMEs run (and set up) by women are also able to benefit from the tax advantages provided for SMEs;
7. Urges the Commission and Member States to implement Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings properly and to ensure that entrepreneurs who have become insolvent or have experienced career breaks have access to financial recovery assistance and support in order that they may continue with projects already begun or change direction;
8. Calls on the Commission and the Member States to promote the exchange of best practice between regions ceasing to qualify for Objective 1 status and regions in countries which have just acceded so as to ensure the involvement of female entrepreneurs, particularly in the small-scale agriculture sector, both to enable them to pass on the experience they have gained, and thereby avoid the abrupt withdrawal of financial support, and with a view to training and creating a new class of women in management positions in the most recent accession countries;
9. Calls on the Commission, Member States and Business Europe to promote female entrepreneurship, financial support and a vocational guidance structure and to carry out, together with business schools and organisations and national organisations for women, investment readiness programmes that can help women create viable business plans and find and define potential investors;
10. Calls on the Commission and Member States to investigate the barriers to female entrepreneurship and especially conduct a comprehensive analysis of women's access to finance;
11. Calls on the Member States to encourage banks and financial institutions to consider 'women-friendly' business support services;
12. Calls on the Commission, Member States and Business Europe to consider the creation of mentoring schemes and support programmes making particular use of active ageing schemes that harness the advice and experience of retired male and female entrepreneurial

professionals;

13. Calls on Member States to pay particular attention to the situation of women over the age of 50 and to help them set up their own companies;
14. Insists that Member States implement policies enabling women to achieve an adequate work-life balance and establish appropriate childcare facilities, as their lack of affordability, availability and quality creates additional obstacles to women wishing to launch an enterprise;
15. Calls on the Commission and Member States to support female entrepreneurs' access to growth potential assessments conducted by experienced consultants which measure the risk potential;
16. Notes that several recent studies have credited female entrepreneurs with taking a more cautious approach than men to economic and financial risk-taking; considers that the findings of such studies should be examined more closely to ascertain whether they are correct and what conclusions should be drawn from them;
17. Calls on Member States and regional authorities to embrace national educational concepts to raise girls' awareness of entrepreneurship and women in management and develop 'young entrepreneurship' in schools so that over the course of a school year female students can, if they wish to do so, experience the lifecycle of a business through the start-up, running and winding up of a company, linking to this process mentoring from teachers and 'active ageing' advisors from the local business community;
18. Recognises that from a young age many girls are discouraged from pursuing school and university subjects perceived as inherently 'masculine', such as science, maths and technology; recommends introducing initial courses at school in the basics of entrepreneurship and broadening the spectrum of possible subjects and careers open to girls, so that they are able to develop the knowledge base and full range of skills necessary for succeeding in business; highlights the importance of fostering girls' and women's employability through skills training and lifelong learning;
19. Asks the EU institutions, Member States and regional authorities to encourage one-year female entrepreneurship or apprenticeship programmes and exchanges at universities around Europe, where students conduct development projects based on real business concepts with the objective to already start a viable and profitable company during the years of education; considers furthermore that alumni and student association activities should form an integral part of this process to instil confidence and a 'role model' mentality in students; asks the Commission to encourage the exchange of best practices in this field;
20. Asks Member States and Business Europe to raise awareness of, and promote, the European entrepreneur exchange programme 'Erasmus for young entrepreneurs', the specific objective of which is to contribute to enhancing entrepreneurship, internationalisation and competitiveness of potential start-up entrepreneurs in the EU and newly established micro and small enterprises, and which offers new entrepreneurs the possibility to work for up to 6 months with an experienced entrepreneur in his/her SME in another EU country; recommends specific scholarships, such as the EU's 'Leonardo da Vinci' grants, to be provided for female students with outstanding potential, culminating in 'best practice' award ceremonies for successful graduates;

21. Insists that Member States promote equal access to procurement contracts and make procurement policy within the public sector ‘gender-neutral’;

***Access to traditional business networking opportunities and information and communication technologies***

22. Calls on the Member States to encourage cross-border cooperation programmes aimed at setting up cross-border support centres for women entrepreneurs in order to provide a basis for exchanges of experience, rationalisation of resources, and the sharing of best practice;
23. Calls on the Commission and Member States to harness information and communication technologies that can help to raise awareness and networking support for women; requests that the digital divide across Europe be addressed through the improvement of broadband connections, thus allowing women the flexibility to successfully run businesses from home should they wish;
24. Calls on the Commission and Member States to encourage women's participation in local chambers of commerce, specific NGOs, lobbying groups and industry-based organisations that form the mainstream business community so that they can develop and strengthen competitive business skills, and calls on chambers of commerce for their part to actively invite female entrepreneurs to become involved and to promote the setting-up of special services and representative groups for female entrepreneurs to assist their empowerment and the development of an enterprise culture;
25. Asks Member States to emphasise the role of NGOs in encouraging and facilitating female entrepreneurship;
26. Asks the Commission to promote the exchange of best practices in order to encourage entrepreneurship amongst women; asks the Commission and Member States and Business Europe to encourage and make provision for female entrepreneurs to be linked with the appropriate business partners in other fields so that they may have the opportunity to share experiences and practices and gain a better understanding of the wider business world;
27. Calls on the Commission to set up advice councils with specific expertise on the challenges and barriers faced by women entrepreneurs as part of the Enterprise Europe network, which could also serve as single contact points for cases of discrimination by financial service providers over access to credit;
28. Recognises the importance of female ambassadors, for example the European Network of Female Entrepreneurship Ambassadors (ENFEA), which highlights the role women can play in creating jobs and promoting competitiveness by inspiring women and young girls to set up their own business through activities in schools, universities, community groups and the media; notes that Ambassadors should have various backgrounds, ages and experiences and be active in all industries;
29. Calls on the Commission to run a campaign promoting women's involvement in work by means of setting up their own companies, and at the same time to provide information about the various instruments available to facilitate business start-ups;
30. Considers that the European External Action Service (EEAS) and the EU delegations in third countries, in cooperation with the Member States’ trade missions, could help develop

networks of SMEs run by women;

31. Calls on the Commission to collect comparable and comprehensive data on female entrepreneurship in the European Union (such as female entrepreneurs' age, area of business, size of business, age of business and ethnicity in accordance with the Member States' rules on the protection of personal data) with the help of the European Foundation for the Improvement of Living and Working Conditions and the European Gender Institute, in a way that does not pose an extra burden on SMEs, and analyse these data in the annual report on EU SMEs of the SME Performance Review; considers that the data and information collected should enlighten decision-makers on the specific problems women entrepreneurs face;
32. Welcomes the Commission's 2008 study on women innovators and entrepreneurship, and urges Member States to adhere to its policy recommendations;
33. Calls for measures to be taken by the Commission, Member States and regional and local authorities to treat women entrepreneurs the same way as employees when it comes to social and other community services, and to improve the social position of female co-entrepreneurs and entrepreneurs in SMEs – through better maternity arrangements, better childcare facilities and care facilities for elderly persons and persons with special needs, as well as better social security provision, and by breaking down gender stereotypes – and to improve their cultural and legal position, especially in research, science, engineering, new media, the environment, green and low-carbon technology, agriculture and industrial sectors in urban and rural areas;
34. Urges Member States to examine obstacles to self-employment by Romani women, to create programmes to enable accessible, fast and inexpensive registration for Romani women entrepreneurs and self-employed persons and to establish avenues for accessible credit – including micro-credit – for the financing of undertakings by Romani women, and urges the Commission to support these activities through relevant funding mechanisms;
35. Calls on Member States to actively combat false self-employment by effectively defining self-employment and sanctioning false self-employment;
36. Calls on the Commission and Member States to set up a programme aimed at helping those active in domestic work, care work or other service work, mainly women, who are neither employed nor self-employed, to enter declared self-employment or set up their own enterprise;
37. Calls on the Commission and Member States to offer support to women who are planning to start or to buy a company, or take over a family-owned business, including those who are involved in the liberal professions such as owning a private law or medical practice; considers that the support should consist of appropriate training seminars and workshops in order to enable these women to acquire the managerial skills to successfully navigate an acquisition situation, in particular appraisals, valuing a company and banking and legal issues; acknowledges that particular attention should be given to women under the age of 25 and over the age of 50, as they are more affected by the financial crisis;
38. Calls on Poland to emphasise female entrepreneurship throughout its presidency, particular in early October with the European SME Week; calls on the Commission to propose, as soon as possible, an action plan to increase the proportion of women entrepreneurs, and to



launch awareness-raising campaigns to break the stereotypes according to which women are not meant to be successful business leaders;

39. Calls on family-owned businesses to provide the same level of opportunity for female relatives – such as daughters – when considering the passing-down or transfer of a company;
40. Calls on the Member States to adopt measures to make it easier to reconcile the competing demands of family and professional life, to facilitate women's employment and to help improve career prospects for the self-employed;
41. Asks the Commission to protect the image of women in all forms of communications media, thereby combating the received idea that women are inherently vulnerable and supposedly incapable of competitive and business leadership qualities;
42. Points to the need to encourage initiatives to help devise and implement positive action and human resources policies at company level to promote gender equality, while also laying greater emphasis on awareness-raising and training measures serving to promote, transfer and incorporate practices that have been successful in organisations and companies;
43. Recognises that the 23 February 2011 Small Business Act for Europe review has delivered a strong agenda for SMEs, but asks that the notion of 'think small first' still be considered in everything the EU and Member States implement;
44. Calls on the Member States to support programmes designed to enable migrant women to work on a self-employed basis or set up a business by such means as training and mentoring policies and credit access support measures;
45. Urges the Member States to recognise companies that are seeking to promote gender equality and facilitating work-life balance, the object being to help disseminate practices making for excellence in this field;
46. Calls on the Commission and the Member States to encourage balanced representation of women and men on the management boards of companies, particularly where Member States are shareholders;
47. Calls on the Member States to promote Corporate Social Responsibility among women-run businesses to help ensure that women's work and working hours are organised on a more flexible basis and to encourage the provision of family-friendly services;
48. Calls on the Commission to promote vocational training policies and programmes for women, including the development of computer literacy skills, with a view to increasing female participation in industrial sectors, taking into account the financial support available at local, national and Community levels and providing greater incentives for it to be used by large companies and SMEs;
49. Calls on the Commission to intensify the support given to vocational training programmes for women in industrial SMEs and support for research and innovation, in line with the Seventh Framework Programme and the European Charter for Small Enterprises, as approved in Annex III to the Presidency conclusions of the Santa Maria da Feira European Council of 19 and 20 June 2000;

50. Points to the need to encourage the establishment of women's networks within companies, between companies in the same industrial sector and between industrial sectors;
51. Urges the Member States and the Commission to devise and implement strategies to address discrepancies both within the work environment and in terms of career development for women working in science and technology;
52. Considers it important to disseminate existing good practice regarding women's participation in industrial research and cutting-edge industries; points to the importance of making management in industrial companies with low female participation more aware of the gender perspective, which should translate into numerical targets;

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53. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.